

vides a series of financial incentives to industry. But the precise implementation of these laws is left in the hands of the minister.

● (1630)

Third, there is increasing mobility between the private sector and government where we have ministers leaving their positions in the cabinet to go to very important and powerful positions in the private sector, frequently with firms operating in the sector of the economy for which, as ministers, they had direct legislative and administrative responsibilities. I submit that these three points are relatively recent in their growth and significance, which makes it much more apparent that we need tough regulations pertaining to conflict of interest.

I want to get back to three areas of concern, first of all the green paper to which the motion moved by the minister refers. What do we get, in the green paper, proposals for ordinary members of parliament? In the main, it proposes a codification of existing laws and practices with respect to corrupt practices and prohibited fees, incompatible offices, participation in government contracts and financial interests. I repeat, it is essentially a codification of practices that have been around for many years. There is no great innovation in the green paper. The minister was patting himself a little too much on the back when he rose in the House today and presented this document as a significant innovation. All it does is to bring together practices that have been going on for many years in the House of Commons and in the Senate.

There are a few innovations. What are they? I want to mention them before going on to raise objections about them. The first one concerns prohibited fees. By way of additions to the Standing Orders and rules, members of parliament would be prohibited from receiving a fee or reward for intervening, on behalf of constituents or members of the public, before government boards or tribunals, public servants or fellow members of parliament. Second, incompatible offices: by a new legislative provision, the holding of nearly all federal and provincial offices would be incompatible with membership in the House of Commons or the Senate even if there is no salary attached to these offices. Third, participation in government contracts: the proposed legislation would, in general, prohibit a member of parliament from participating in or deriving any benefit, directly or indirectly, from government contracts. These are the innovations which I suggest are not very significant.

What can be said in a negative way but with positive implications about the proposals even for members of parliament and even if we agree that we are beginning at the wrong end of the power structure by beginning with members of parliament? First of all, the annual disclosure of directorships and financial holdings should be comprehensive and routine for all members of parliament. It should not be restricted to the general area of government contracts, as is the proposal in the green paper. In other words, all members of parliament should have to declare their financial holdings. I think that should become a matter of routine. It is not without some direct benefit at times when we vote on legislation concerning corporate taxation, for example; or, indeed, if we vote for a variety of legislation outside the tax field that can give particular

Conflict of Interest

benefits to members of parliament. I think the public has a right to know the holdings of all MPs quite independent of holdings in companies that may have contracts with the federal government.

Second, the prohibition against participation in government contracts should be tightened up. It is much too loose. The 5 per cent threshold in particular is a serious loophole, in our view. Five per cent of the shares would often represent a significant holding, sometimes a controlling interest, in a public corporation. I think, for example that if someone held 5 per cent of the shares of Bell Telephone it would probably give them controlling interest. So the 5 per cent threshold is a meaningless threshold; it is much too high; it is open to too much abuse and requires tightening up.

Third, the committee charged with supervision of the rules, that is, the Standing Committee on Privileges and Elections, should have the authority to investigate conflicts of interest involving cabinet ministers. This authority is expressly denied in the green paper, where it is said that the committee will not have the right to investigate alleged or potential conflicts of interest of cabinet ministers. I think that by giving a committee of the House on which backbench members from all parties are members, authority to look into alleged cases of conflict of interest we would be doing a great service to those who are concerned, including ministers of the Crown, on the question of conflict of interest.

The recent dispute, for example, concerning the SIU could have been referred to this committee with the request that it consider the matter with dispatch and report back to the House. It seems to me that a committee representing all parties in the House is the appropriate body, initially at least, to look into charges of conflict of interest involving ministers of the Crown. These are three specific proposals that seem to us in this party to make sense, and we hope that when the committee gets the green paper it will consider them with great seriousness.

Now I would like to say something about guidelines for cabinet ministers. The guidelines which we have are the product of two statements made by the Prime Minister (Mr. Trudeau), one on July 18, 1973, and the other on December 18 of the same year. To go back to my earlier point, these must be looked at with even greater care than the regulations or guidelines pertaining to members of parliament. I repeat the point: the power, in our form of government, really resides with the cabinet and that means the potential for abuse resides, in terms of substance, with the cabinet. So the guidelines and regulations dealing with conflict of interest have to be much more stringent for cabinet ministers than for members of parliament, and anyone who suggests the contrary simply does not know what he is talking about. The green paper itself, I remind the minister, refers to this point in the following words:

It must be acknowledged that the opportunity for an individual member of parliament, other than a minister, to alter substantially the course and content of public policies, is limited.

What are the guidelines that the Prime Minister has set down vis-à-vis the holdings of cabinet ministers? There are three choices. They can put their holdings in a blind trust, a frozen trust, or—this is the third variable that was